

Message Text

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ACTION STR-04

INFO OCT-01 ARA-10 IO-13 ISO-00 STRE-00 AF-10 EA-07

EUR-12 NEA-10 OIC-02 SSO-00 NSCE-00 USIE-00

INRE-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00

EB-08 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 EPG-02 AID-05 SS-15 ITC-01

TRSE-00 PRS-01 SP-02 FEAE-00 OMB-01 /134 W

-----080480 261248Z /53

O R 261210Z JUL 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 2953

USMISSION GENEVA IMMEDIATE

INFO AMEMBASSY BOGOTA

AMEMBASSY BUENOS AIRES

AMEMBASSY CARACAS

AMEMBASSY LIMA

AMEMBASSY LA PAZ

AMEMBASSY MEXICO CITY

AMEMBASSY QUITO

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STATE PASS STR

GENEVA FOR USDEL MTN

E.O. 11652: N/A

TAGS: ETRD, MTN, BR

SUBJ: REPRESENTATION ON U.S. REQUEST/OFFER PROPOSAL IN MTN

REF: A. GENEVA 6097 B. STATE 172232 C. GENEVA 6125

D. GENEVA 6185 E. GENEVA 6186

1. SUMMARY. FONMIN OFFICIALS EXPRESSED SOME RESERVATIONS
OVER REQUEST/OFFER PROPOSAL BUT SAID GOB MIGHT ACCEPT IT
AS REALISTIC VEHICLE TO ADVANCE MTN ON TWO CONDITIONS:

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(1) PROPOSAL LANGUAGE SHOULD CONTAIN EXPRESSION OF DCS
"POLITICAL COMMITMENT" TO S AND D PRINCIPLES OF TOKYO
DECLARATION; (2) BEFORE BEGINNING NEGOTIATIONS, LDCS
WILL WANT SOME INDICATION OF TYPE OF S AND D TREATMENT
WHICH DCS ARE PREPARED TO OFFER. GOB ALSO UPSET
THAT PROPOSAL MAKES NO REFERENCE TO FUTURE PROGRESS
IN FRAMEWORK GROUP. END SUMMARY.

2. PER REF B, ECONOFFS MADE SUBJECT PRESENTATION JULY 25 TO ACTING CHIEF JOSE ARTUR MEDEIROS AND FIRST SECRETARY CLODOALDO HUGUENEY IN FONMIN'S TRADE POLICY DIVISION. ECONOFF STRESSED OPPORTUNITY US PROPOSAL OFFERS TO BREAK MTN IMPASSE. ECONOFF ALSO REASSURED FONMIN OFFICIALS THAT US IS STILL COMMITTED TO PRINCIPLES OF TOKYO DECLARATION AND IS PRESENTLY STUDYING SPECIFIC MEASURES FOR S AND D TREATMENT. THE DISCUSSION OF SPECIFIC S AND D MEASURES, HOWEVER, SHOULD NOT ENCUMBER THE US PROPOSAL. ECONOFFS LEFT COPIES OF TALKING POINTS BASED ON REFS A AND B AND COPY OF USIS WIRELESS REPORT ON AMB. STRAUSS' JULY 22 PRESS CONFERENCE FOLLOWING TALKS WITH EC OFFICIALS.

3. MEDEIROS RESPONDED THAT FONMIN WAS SOMEWHAT DISMAYED OVER THE BILATERAL (US-EC) ORIGIN OF THE REQUEST/OFFER PROPOSAL BUT, NEVERTHELESS, WAS REALISTIC ENOUGH TO RECOGNIZE IT AS A VIABLE VEHICLE FOR GIVING A NEW IMPETUS TO THE MTN. MEDEIROS STATED THAT, AFTER THE "TREGEDY" OF THE KENNEDY ROUND, DISILLUSIONMENT AND SCEPTICISM PREVAILED AMONG OTHER INTERESTED GOB AGENCIES, AND THAT IN ORDER TO MOBILIZE THEIR SUPPORT, TWO CONDITIONS WOULD HAVE TO BE MET.

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4. FIRSTLY, THE WORDING OF THE PROPOSAL WOULD HAVE TO INCLUDE A "POLITICAL COMMITMENT" BY THE DCS TO S AND D TREATMENT FOR LDCS BEFORE THE LDCS COULD BE EXPECTED TO TABLE ANY OFFERS. SECONDLY, BEFORE ANY NEGOTIATIONS LDCS WILL ALSO WANT AT LEAST SOME INDICATION OF SPECIFIC S AND D TREATMENT THEY CAN EXPECT FROM THE DCS. MEDEIROS SAID THAT THE BRAZILIAN DELEGATION IN GENEVA HAS ALREADY BEEN INSTRUCTED TO PRESS FOR THESE TWO CONDITIONS.

5. MEDEIROS ADDED THAT THE FONMIN BELIEVES THE US TIMETABLE FOR TABLING REQUESTS AND OFFERS --AT LEAST FOR LDC-- SHOULD ALLOW FOR SOME FLEXIBILITY. HE SAID THAT REPORTING FROM GENEVA INDICATES THE US HAS GIVEN IMPLICIT AGREEMENT NOT TO ADHERE RIGIDLY TO THE NOV. 1/JAN. 15 DEADLINES, BUT THAT THE FONMIN WOULD PREFER THIS ELEMENT OF FLEXIBILITY BE EXPLICITLY EXPRESSED.

6. FINAL POINT MADE BY MEDEIROS WAS THAT GOB VIEWS WITH "SOME REGRET" AND "MUCH PREOCCUPATION" THE OMISSION OF ANY REFERENCE IN THE US PACKAGE TO THE

GATT FRAMEWORK IMPROVEMENT GROUP. MEDEIROS SAID IT WAS "FUNDAMENTAL" TO BRAZIL THAT PROGRESS IN THE FRAMEWORK GROUP PARALLEL PROGRESS IN THE MTN. HE CONCLUDED BY NOTING THAT FAILURE TO INCLUDE THE FRAMEWORK GROUP IN THIS EFFORT WOULD PREJUDICE GOB SUPPORT FOR THE US PROPOSAL.

7. ECONOFF SAID EMBASSY WOULD IMMEDIATELY INFORM DEPT. AND GENEVA OF FONMIN'S VIEWS AND CONCERNS. ECONOFF ALSO INFORMED FONMIN OFFICIALS THAT STR-STATE TEAM WOULD LIKE TO VISIT BRASILIA DURING WEEK OF AUG. 22 FOR FURTHER DISCUSSIONS ON PROPOSAL. FONMIN OFFICIALS' INITIAL REACTION WAS VERY POSITIVE. ECONOFF NOTED THAT LIMITED OFFICIAL USE

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THESE TALKS COULD SET THE STAGE FOR FURTHER CONSULTATIONS DURING THE SEPTEMBER MEETING OF THE US-BRAZIL CONSULTATIVE SUBGROUP ON TRADE.
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NNN

Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: TRADE PROMOTION, TARIFF NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
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Format: TEL
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Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770720/aaaaaqvx.tel
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